to any estimate. However, the value of old seized by the Custims authorities during the years 1983 to 198 (upto September) is given below:—

Year	Value (Rs. in crores)
1983 . . .	4·18
1984 . . .	10·24
1985 . . .	51·89
1986 . . . (upto September)	38·95 (provisional)

Bad debts of **banks** 15. SHRI KAILASH PATI MISHRA : SHRI ASHWANI KUMAR : SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state:

(a) what is the annual amount of bad debts of banks at the beginning and at the end of the Sixth Plan period;

(b) whether arrangements exist for pro per auditing of accounts of all the bran ches of banks by statutory auditors ap pointed by **KBI;**

(c) whether it is a fact that in many bank branches the same authority who had sanctioned the loans decides the writing-off bad debts; and

(d) if so, what steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) According to the forms of Balance Sheet and Profit and Loss Account presdribed in the Third Schedule of the Banking Regulation Act, 1949 which all the banks are required to follow strictly, the banks are given statutory protection from disclosing the quantum of bad and doubfful debts for which provisio his made to the satisfaction of their statutory auditors. Hence the quantum of bad debts cannot be disclosed.

(b) In so far as audit of the branches of commercial banks are concerned, these

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are done in accordance with the various statutes governing the particular bank. In so far as 20 nationalised banks are con cerned the existing practice is that all branches having a$_n$ outstanding advance of Rs. 50 lakhs and above are cornpulsoriiy audited by external statutory auditors every year. In addition l|3rd of the remaining branches are also taken up for statutory audit by externa! statutory auditors by rotation. The State Bank and the seven associate banks have also been requested to introduce the same system in a phased manner. In addition, banks have the discretion to get any of the branches audited by the external statutory auditors wherever a need is felt.

In so far as the private sector banks are concerned, auditing of branches by external statutory auditors is done in accordance with the provisions of the Banking Regulation Act, 1949 read with Companies Act, 1956 and relevant rules. framed thereunder.

(c) and (d) AH banks have their own well laid dow$_n$ procedures for writing off advances which are considered bad. Banks write off advances normally after exhausting all avenues of recovery and generally after obtaining the approval of Board of Directors except in cases where the powers have been delegated to lower functionaries. Banks hav$_e$ been advised by Reserve Bank of India that wherever the power to write off has been delegated, it should be ensured that authority whe sanction the adance in question does not write off the same in his individual capacity.

Claims pending with LIC and GIC

16. SHRI KAILASHPATI MISHRA-
SHRI ASHWANI KUMAR;
SHRI ATAL BIHARI
VAJPAYEE:

Will the Minister of FINANCE be-pleased to state;

(a) what is the total number of claims pending with LIC and General Insurance